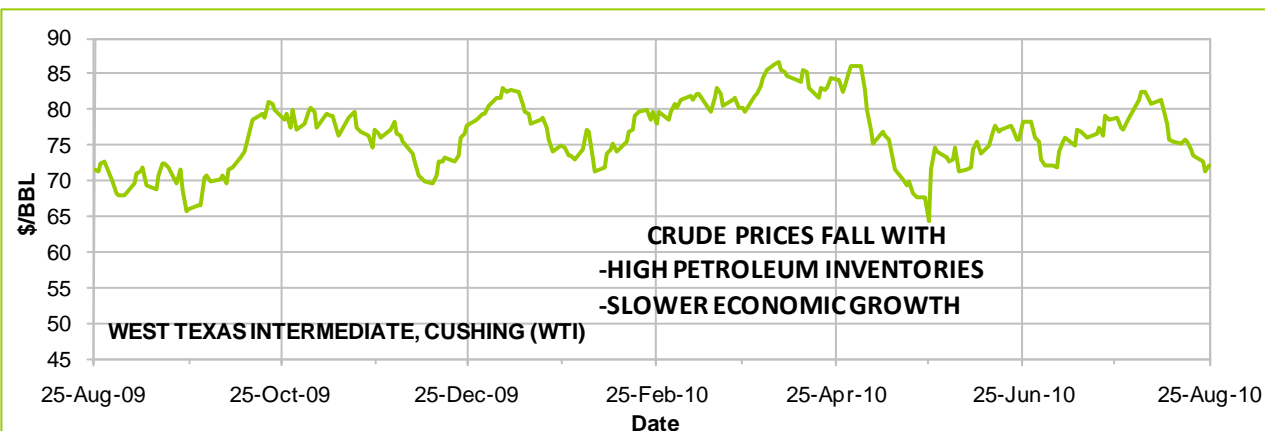


Crude Oil



Crude inventories rose by 4.1 million barrels this week compared to an expected decline and a 5-year average decline of 0.5 million. An increase in production of 3%, an increase in imports of 3.3%, and a 2.3 decline in inputs to refineries (refinery utilization fell from 90.0% to 87.7%) lead to the surprising gain in inventories. Crude stocks have improved to 4.2% above last year and 9.3% above the 5-year average. Inventory levels are at their highest level for this date since 1990 and are the second highest ever.

Despite rising yesterday with equity markets, prices fell again this week as petroleum inventories remain high, demand remains soft, and the economic outlook grows more pessimistic. Spot prices and futures prices were down \$3.33 and \$2.58 for the week. The spot price settled at \$72.04, only \$0.49 (0.7%) higher than a year ago. Futures prices were at \$75.99, \$0.67 (0.9%) higher than last year. Both prices are about 49% below 2008's peak price.

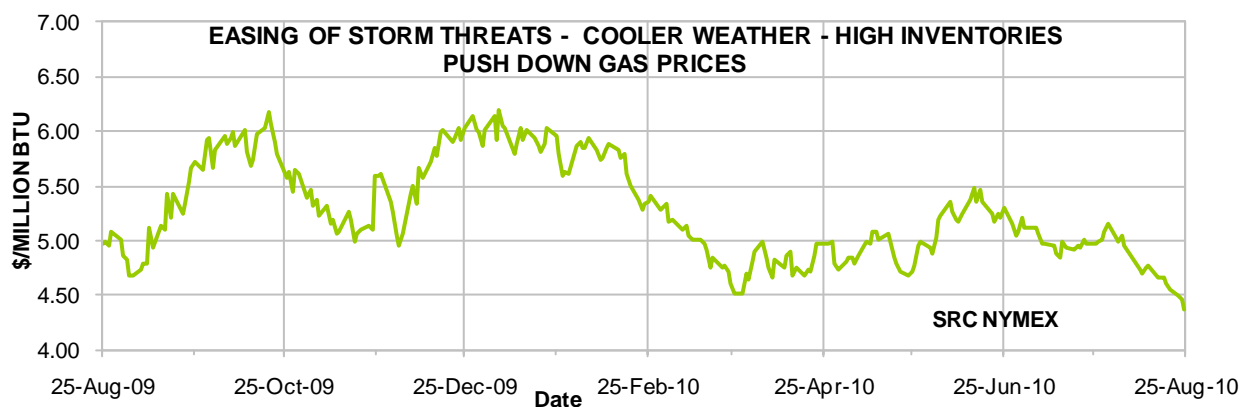


Natural gas



Inventories grew by 40 BCF this week. This was 5% above the expected injection level of 38 BCF but 33% below the 5-year average gain of 59 BCF. Over the past 23 weeks inventories have grown by 1,437 BCF, 7.7% higher than the normal gain of 1,334 BCF. At 3,052 BCF, this week's inventory level is 6.1% above the 5-year average but trails last year's record high of 3,250 BCF by 6.1%. Inventories remain at high levels despite U.S. cooling degrees days running 22% above normal.

Despite disappointing storage injections the previous 9 weeks, prices continue to fall as tropical storm threats lessen, weather cools, and industrial demand remains weak. Futures prices settled at \$4.369 per million BTU, down 29 cents for the week and 12.2% lower than a year ago. They are 67.2% below their 2008 peak. Spot prices fell by 34 cents this week. At \$4.000 per million BTU, they are 39.9% higher than a year ago but 69.9% below their 2008 peak price. The 12-month strip is now at its lowest level since December of 2002.

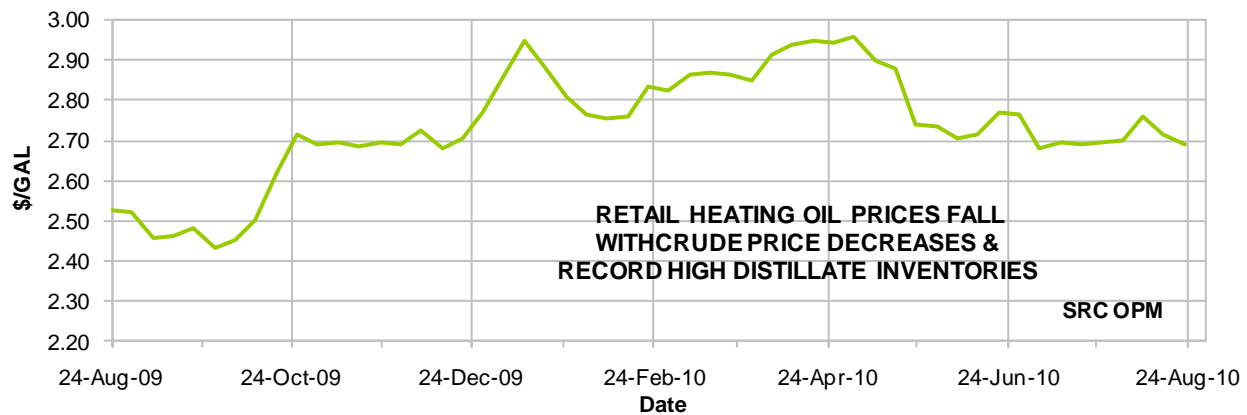


Heating oil



Distillate stocks grew by 1.8 million barrels this past week. The inventory gain was 60% more than the 5-year average gain and 76% above the expected gain. Inventory levels are at record highs as they improved to 8.4% above last year and 27.0% above the five-year average

The 12 month strip fell by 6.7 cents this week as prices followed crude downward. It is now at \$2.057/gal, 8.8 cents (4.5%) higher than a year ago. The spot price fell by 0.9 cents this week and is at \$1.961 /gal, 13.3 cents (7.3%) above last year. Prices are about half of their 2008 peaks. Retail prices fell by 2.5 cents this week and by 6.7 cents over the past 2 weeks as they react to the continued weakness in crude oil prices and record high distillate inventories. At \$2.692/gal, retail prices are 16.5 cents (6.5%) above a year ago but are \$2.074 (43.5%) below their 2008 peak price. The highest price in this week's survey was \$3.299 and the lowest was \$2.279. According to census data, 49.1% of dwelling units in Connecticut heat with oil.



Connecticut Regional Heating Oil Prices

	FAIRFIELD			HARTFORD			NEW LONDON		
	AVG	HIGH	LOW	AVG	HIGH	LOW	AVG	HIGH	LOW
24-Aug-09	2.705	2.999	2.490	2.490	2.999	1.999	2.537	2.740	2.379
9-Aug-10	2.902	3.299	2.500	2.736	3.199	2.349	2.745	2.970	2.550
16-Aug-10	2.856	3.299	2.400	2.677	3.199	2.249	2.701	2.970	2.480
23-Aug-10	2.841	3.299	2.400	2.668	3.199	2.279	2.673	2.840	2.480
	LITCHFIELD			MIDDLESEX			TOLLAND-WINDHAM		
	AVG	HIGH	LOW	AVG	HIGH	LOW	AVG	HIGH	LOW
24-Aug-09	2.525	2.669	2.399	2.529	2.599	2.400	2.449	2.549	2.309
9-Aug-10	2.725	2.769	2.699	2.834	2.949	2.699	2.706	2.849	2.499
16-Aug-10	2.651	2.759	2.599	2.798	2.899	2.540	2.666	2.799	2.499
23-Aug-10	2.645	2.759	2.599	2.729	2.899	2.490	2.629	2.799	2.499
	NEW HAVEN								
	AVG	HIGH	LOW						
24-Aug-09	2.469	2.739	2.209						
9-Aug-10	2.674	2.899	2.390						
16-Aug-10	2.657	2.890	2.399						
23-Aug-10	2.629	2.890	2.359						

OPM conducts a weekly survey of retail heating oil prices in Connecticut. These figures reference the most recent results of that survey for the reporting week beginning August 23, 2010. Figures reflect per gallon prices without discount.

For more information, see www.ct.gov/OPM > Energy Management > Energy Price and Supply Information

Propane



Propane inventories increased by 1.1 million barrels this past week. This was 26% higher than the 5-year average gain of 0.9 million. Over the past 23 weeks inventories have grown by 35.8 million barrels, 18% above the 5-year average gain of 30.4 million for the time period. Current storage levels now trail last year's levels by 13.6% but they have improved to 0.1% above the 5-year average.

Spot propane prices have been generally following crude prices downward. They were flat this past week after falling by 7.4 cents the previous two weeks. Prices have fallen by 41.1 cents (28.4%) since the beginning of the year. At \$1.035 per gallon yesterday, spot prices are 9.5 cents (10.2%) higher than a year ago but 48% lower than their peak 2008 price. According to census data, propane heats 2.7% of homes in Connecticut.



Gasoline



Gasoline inventories rose by 2.3 million barrels this past week compared to an expected decline of 0.3 million and a 5-year average decline of 2.3 million barrels. Inventories levels are 8.3% above last year and 12.9% above the 5-year average. Stocks are at their highest level ever for this date.

At \$1.940/gal, futures were down 8.2 cents for the week and are 3.9 cents (2.0%) lower than last year. At \$1.842/gal, the spot price was down 5.5 cents for the week and 6.1 cents (3.2%) lower than a year ago. Spot prices and futures prices are about 46% below their 2008 peaks. Retail prices fell by 4.0 cents this past week and by 7.0 cents over the past 2 weeks. Weak demand, high inventories, and falling crude prices have lead to the lowest retail prices since January of this year. At \$2.828/gal, retail prices are only 2.0 cents (0.7%) higher than a year ago and they are 35.6% (\$1.562) below 2008's peak.

